
Abstract

Pseudo-XH: Experience and/or Heuristic
Studies reported here of <budget modeling research> supported by <reviews of academic literature and textbooks> generate a number of findings concerning <impact on real-world practice>, including <the discovery that nobody is using these fancy techniques>. They indicate that <practicality> is not met by <extant budget modeling research>.

Why XH?

XH is actually a poor categorization, but it is certainly closer than any of Newman’s other categories. The main reason for the poor fit is that the author isn’t really making any big new contribution, but rather just surveying the contributions of other authors over the past decade or so and offering suggestions for where workers might invest their research in the future. Nonetheless, he does offer a number of observations, which conveniently take the place of “heuristics” in the usual Newman abstract.

Question - [Generalization / characterization]
What have the budget modelers been doing, and what impact is it having in the “real world”?

Results - [Report]
The author reviews a wide array of budget modeling approaches, some of which have fairly elaborate statistical analyses to back them up. But the author keeps coming back to the point that none of this is making a dent in how accountants actually practice their profession. Some salient quotes:

- Judging by the failure to integrate the material into cost accounting textbooks, there has been a lag in conveying these advances to students.
- I am of any reference indicating that CVP analysis under uncertainty has had much impact on the world. Rather than continue to explore technical details associated with distributional assumptions, it may seem wise to find out why this material is apparently not being used in practice.
- It is clear that there is not much fertile ground left for developing more elaborate models in this area without a database on the type and magnitude of problem we are dealing with.
- It is my impression that useful, implementable results from this research should not be expected over the next decade.

Amazingly, just the next year, VisiCalc came out of some guy’s apartment and transformed the world. The point: All this fancy math didn’t catch fire, but a handy little electronic ledger did. The question, of course, is why.

Validation – [Evaluation / Blatant Assertion]
The author bases most of his conclusions (above) on the basis of evaluating the literature + textbooks and not finding any qualitative evidence that ideas are seeping out of the literature and into practice.

It is important that the author also looked in textbooks: you wouldn’t expect to see too much information concerning industrial practice by looking inside academic research literature! Instead, you have to look at the information relevant to practice, and in this case, the best material at hand seemed to be textbooks.

Aside from that little bit of cleverness, it is not clear that the author really has a whole lot to support his assertions, particularly those prognosticating the future, except for the breadth of his own experience and observation—this same fellow was chair of a number of accounting conference program committees throughout the 1970’s, so blatant assertions carry some weight.